



INDIANA UTILITY REGULATORY COMMISSION  
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AMENDED UTILITY ARTICLES

MEMORANDUM

TO: Commissioners Hardy, Golc, Landis, Server and Ziegner  
FROM: Bradley K. Borum, Director of Electricity Division **BKB**  
E. Curtis Gassert, Director of Water/Sewer Division  
DATE: January 12, 2009  
RE: Utility Articles for Next Conference

*Final Articles have been amended to include Lawrenceburg  
Municipal Utilities.*

The following Final Articles "A" and "I" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after January 14, 2009.

/ld

**"A" Finals**

*The following miscellaneous item(s) will be eligible for final consideration at the next Commission Conference and based upon review by staff members of the Commission, I recommend approval.*

**1. Cogeneration and Alternate Energy Production Facilities**

The following utility has submitted proposed tariffs for the purchase of power and energy from a qualifying facility as required in Appendix A, Rules and Regulations with Respect to Cogeneration and Alternate Energy Production Facilities, (170 I.A.C. 4-4.1), Cause No. 37494. Review of the rates and the support data reveals that these utilities have complied with the requirements of these Rules.

| <i>Item No.</i> | <i>Utility Name</i> | <i>Rate Schedule</i> | <i>Energy \$/kWh</i> | <i>Demand \$/kW</i> |
|-----------------|---------------------|----------------------|----------------------|---------------------|
| 1.              | Duke Energy Ind.    | Rider No. 50         | 0.032064             | 5.11                |

**2. Northeastern Rural Electric Membership Corporation**

The Utility proposes to add Schedule NB-I - Residential Net Billing Service to its current tariff. Schedule NB-I will be applicable to residential customers with installed and operational wind, solar or biomass generation equipment with a capacity of 10 kW or less. The net flow of electricity will be measured so that the customer's generation output will directly offset energy consumption. When the customer's net kWh energy use is positive during a month, charges for the energy will be due and payable with the current months billing. When the customer's net energy use is negative, the Utility will purchase the energy and credit the customer's bill for the following month. The same energy charge will apply both ways. At each calendar year end, the Utility will pay the customer any credits remaining.

The Monthly Access Charge and Energy Charge in ScheduleNB-1 differ from Customer Charge and Energy Charges contained in the Utility's standard residential rate Schedule 10-1. The reason is that allowing net metering under Schedule 10-1 would likely result in under recovery of the Utility's fixed costs and subsidization of generation-owning customers by others. To assure reasonable recovery of its fixed costs, the Utility proposes to shift fixed costs currently recovered through the energy charges to a fixed Monthly Access Charge. The energy blocks are eliminated and the Energy Charge is more closely aligned to the Utility's marginal cost of power.

Since the intent of Schedule NB-I is to allow customers to replace their power purchases with their own generation, the Utility's total revenues will decrease. However, since recovery of distribution costs is fixed in the Monthly Access Charge and the marginal energy rate is in line with power supply cost, the Utility does not believe that an adverse impact on its margins will result from the proposed rate. The proposed tariff includes the interconnection and safety requirements for the customer's net billing installation. In addition, the Utility provided a sample copy of the application and agreement for interconnection that it intends to use.

The following rates are proposed:

| <i>Charge</i>  | <i>Unit</i> | <i>Total Rate</i> |
|--|-------------|-------------------|
| Monthly Access Charge  | Month       | \$ 41.00          |
| Energy Charge (applicable to both sales and purchases from the customer) | kWh         | \$ 0.03760        |

The tariff also contains a "Facilities Charge" if Northeastern is required to install any equipment to accommodate the net billing facility (monthly charge equal to 1/12 of Northeastern's annual fixed costs associated with investment), and is subject to the Power Cost Adjustment found in Appendix A (applies to both energy sold and purchased by Northeastern).

The Utility has demonstrated that its proposed rates will recover its incremental cost of power plus revenue based taxes and fees. The proposed rates are applicable to prospective customers. Accordingly, this proposal does not affect the Utility's present revenues or the charges to any existing customers.

The tariff sheet affected by this filing is:

- Schedule NB-I

### **3. Ramsey Water Company, Inc.**

The utility is proposing to add a Non-Recurring charge for credit and debit card usage to its tariff. The utility started accepting credit and debit cards in December 2007. The proposed per transaction fee of Two Dollars and Twenty-five Cents (\$2.25) is to offset the charges and fees from the credit card companies. Cost support has been provided.

Staff noticed that in sections (P) and (Q) of the proposed tariff, the times were changed from the utility's previous schedule. The schedule on the tariff currently in effect shows the time as 8:00 a.m. to 5:00 p.m. in both sections. In a letter dated December 4, 2008, the utility requested to change the stated hours from 8:00 a.m. to 4:00 p.m. in both sections due to the fact that the utility's field employee's workday ends at 4:00 p.m. The utility will be required to pay overtime if the employee works after 4:00 p.m.

The letter also indicated that, in section (Q), the wording is wrong in the current schedule of rates and charges. It states "This charge will be made in addition to the Forty-Eight Dollar General Service Charge for such service on Saturday, Sunday and after 5:00 p.m. weekdays." This should read "This charge will be made instead of the Forty-Eight Dollar General Service Charge for such service on Saturday, Sunday and after 4:00 p.m. weekdays."

The tariff sheet affected by this filing is:

- Page 3 of the Schedule of Rates and Charges.

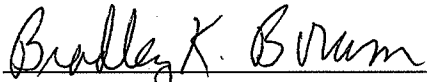
**"I" Final**

*A revision to the tracking costs from the Indiana Municipal Power Agency members has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for this filing in Commission Order No. 36835-S1 approved January 11, 1983, and/or Order Nos. 36835-S2 approved May 2, 1984, Order No. 36835-S3 approved December 13, 1989, has been met and I recommend approval.*

| <i><b>Item<br/>No.</b></i> | <i><b>Utility Name</b></i>                        | <i><b>Rate<br/>Schedule</b></i> | <i><b>\$/kWh<br/>Change</b></i> | <i><b>\$/kWh<br/>Resultant</b></i> | <i><b>Filing<br/>No.</b></i> |
|----------------------------|---|---------------------------------|---------------------------------|------------------------------------|------------------------------|
| 1.                         | Lawrenceburg<br>Municipal Utilities -<br>Electric | City Residential                | 0.014545                        | 0.036629                           | 105                          |
|                            |   | Rural Residential               | 0.014545                        | 0.036629                           |                              |
|                            |   | City Commercial                 | 0.013677                        | 0.039525                           |                              |
|                            |   | Rural Commercial                | 0.013677                        | 0.039525                           |                              |
|                            |   | City Power                      | 0.010350                        | 0.040139                           |                              |
|                            |   | Primary Power                   | 0.021954                        | 0.054396                           |                              |

January, February, March 2009

Please indicate your consideration and action of the preceding items on the appropriate lines provided below.



Bradley K. Borum, Director  
Electricity Division



E. Curtis Gassert, Director  
Water/Sewer Division

\_\_\_\_\_  
I approve of all items as presented above

\_\_\_\_\_  
I approve of all items as presented above except

\_\_\_\_\_  
Not participating in the following items

I, \_\_\_\_\_, Disapprove Items

No.

I, \_\_\_\_\_, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

\_\_\_\_\_  
Brenda A. Howe  
Secretary to the Commission